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ABSTRACT

Strategic planning initiated by the recently created State System of Higher Education (SSHE) in Pennsylvania is examined. Components of the strategic approach found in the literature and dimensions generally considered critical for both strategic formulation and strategic understanding are considered. Attention is directed to the multicampus system as an organizational type and its past planning practices, and the specific historical and political context of the SSHE. Field observations from six days of planning from January through April 1984 are summarized, along with key events that followed. The plan, consisting of eight strategic direction statements, is also described. Of significance during the planning process were the interactions of the Board of Governors and the Strategic Planning Committee with the planning consultant and with other actors from the Central System Office. The committee included representatives from key stakeholding areas. The eight strategic direction statements provide a framework for the campuses and identity for the system. Since the completion of the first planning stage, a number of critical realignments have occurred within the system. (Author/SW)

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PROCESS AND CONSEQUENCE:

A Study of Strategic Planning in a Multicampus Setting

(Phase I)

A paper to be presented at the annual conference of

The Association for the Study of Higher Education

(ASHE)

San Antonio, Texas Februrary 1986

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PREFACE/ABSTRACT

One of the first actions of SSHE, the recently created State System of Higher Education of the Commonwealth of Pennsylvania, was the initiation of a broad based strategic planning process. This paper represents an early attempt to analyze the strategic planning and evaluate its effectiveness. Has it developed catalytic action toward defining the System and toward propelling it into the future?

In order to accomplish this analysis we must first look at some of the critical components of the strategic approach as it is presented in the literature. Next we must explore some of the dimensions which are generally considered critical for both strategic formulation and strategic understanding. This includes background on the multicampus system as an organizational type with past practices, limitations and potentials. The traditions of higher education constrain strategic thinking. But must they? And should they?

In addition to these general considerations we must also look at the specific historical/political context in which strategic thinking and action take place. Can a strategic planning approach absorb and regenerate some of these historical and political elements?

In an attempt to answer this, the second part of the paper summarizes field observations from six planning days--spaced over a four month span--and identifies some of the key events which follow. Of significance during the planning process were the interactions of the Board of Governors and the Strategic Planning Committee with the planning consultant and with other actors from the Central System Office. The committee included representative from the key stakeholding areas. Much of the process manifested itself as an unfolding and refolding of stakeholder perspectives and interests. A direct outcome, in the form of eight succinct Strategic Direction Statements, not only provides a framework for the campuses but, in fact, gives the System identity. Since the completion of the first stage of the planning process, a number of critical realignments have occurred within the System.

This research has not reached a stage where causal links between strategic processes and strategic action can be established. The sequence can only be noted. Although the ultimate consequences of any System action must be measured at the individual university campuses, the strategic planning process appears to have served the System well in its early years of consolidation.

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Introduction

This paper is reflective of an extended field study which is still in mid-stream. The first four sections are written to give some background and perspectives on 1) the concept of strategic planning; 2) the multicampus university and its past planning practices; 3) the strategy-structure relationship in organizations as a theoretical construct and as a specific constraint in higher education; 4) the historical and political context of the State System of Higher Education of the Commonwealth of Pennsylvania (SSHE). SSHE is both our case study and unit of analysis.

The fifth section describes the strategic planning process as it was observed in the field from January through April 1984. The planning was in part a response to legislative mandate. The sixth section describes and analyzes the resulting "Plan" which is in the form of eight Strategic Direction Statements. The seventh section brings together our several lines of thinking to make some formative analytical and summary comments.

However, before proceeding we need to clarify a few terms. During the prosperous 60's and 70's business corporations were planning on a long range basis with extensive planning offices and personnel. They called this strategic planning. During this same era higher education called its long range planning "master planning".These were roughly equivalent with both sectors employing professionals to plan for the organization rather than involving the organization in the planning

process in any depth. The steady growth in GNP and the steady growth in the student population paralled each other and allowed each sector to function with five and ten year plans.

Late 70's and 80's economic turbulance and decline have made the long-range view less appropriate and, even, counterproductive. The corporate world has replaced their version of strategic planning with the more flexible concept of strategic management, while higher education has debunked master planning and long range planning and is replacing them with a version of strategic planning which includes at least some strategic management thinking.

This historical evolution leads to a confusion which means clarifying every reference to the literature. SSHE, our case study, has grappled with this confusion in their early planning. Its initial documents referred to the planning effort in a somewhat contradictory fashion as "Long Range Strategic Academic Planning". Two years later similar ideas are called "Strategic Direction Statements". The important matter, though, in our case study approach is to document the process and let the terms fall as they may. Similarly, planning literature which provides valuable perspectives will fall under a spectrum of titles and categories.

I

Some Strategic Planning Lenses

Significant translations of strategic planning concepts have been made for higher education (Cope 1981, Keller 1983, Chaffee 1985). It is usually worthwhile to at least briefly go back to the sources and roots of these concepts. The above authors have done this by presenting various lines of development; for example that of linear strategy beginning with Chandler(1962) and on through Andrews(1971) and Drucker(1974). However my intention in this opening section is not to review the literature in this fashion, but rather to select some "lenses" which we can later use as perspectives and checkpoints for the case we are studying.

Mintzberg (1978) introduced some important modifications of linear strategy. In his terminology linear or intended strategy which is realized becomes deliberate strategy. But some intended strategy goes unrealized while other strategy emerges during the process of planning, organizing or governing. Both the unrealized and the emergent categories reflect a sensitivity to the environment and place this model in the adaptive mode. After seven years of additional research and interpretation, Mintzberg remains convinced that "strategy formation walks on two feet, one deliberate, the other emergent".(Mintzberg and Waters 1985 p.271)

Ring and Perry (1985) consider Mintzberg's characterization of strategy as particularly apt for public organizations. They state: "Given previous arguments regarding policy ambiguity, open and intense influence

processes, and coalition instability, public organizations can be characterized as low on deliberate strategy and high on emergent and unrealized strategy." (p.282)

Creating the Future

As another lens, this with a very wide aperture, Russell Ackoff's Creating the Corporate Future (1981) not only cuts through much of the terminology and jargon in the strategic planning literature, but also has considerable relevance for our case. When undertaking strategic planning, "What is the State System of Higher Education trying to do but create its future?"

In Ackoff's view the corporation has no responsibility if it is viewed mechanically. The corporation does have responsibility for survival and growth if the metaphor is biological and the corporation is viewed as an organism. But if viewed as an organization through the social systems metaphor, then the corporation is responsible to all of its stakeholders and even to society at large. In Ackoff's words, "social systems should facilitate the development of their stakeholders, particularly their members."(p.45)

By development Ackoff means an increase in competence in four areas: the scientific, the economic, the ethical-moral and the aesthetic. Indeed "to make participative planning possible is to make an art of living"(pg.50). In this type of planning, "process is the most important product". (pg.65)(my emphasis)

In his chapter titled "Formulating the Mess" (p. 79-) (messes being later defined as "systems of problems and opportunities and "products of

their interactions") Ackoff proposes three approaches: 1) Systems analysis; 2) Obstruction analysis; and 3) Preparation of Reference Projections or extrapolations into the future.

The systems analysis (in this case our multicampus system) would ask the following questions of itself:

How are we, as a system, to be defined?

What Business are we in?

How are we organized?

How do we actually operate?

What policies do we have in force?

What are the stylistic preferences of our management?

What has our past performance been?

What is our present performance?

Who are our stakeholders?

Who are our competitors?

What laws and regulations are we under?

Once the organization understands itself as a system, then the obstructions to reaching its future must be analyzed. Internal descrepencies may be found concerning ends--Are they only espoused? Or actually pursued--and also over means, resources, structure and management. The transactional stakeholders and their environment must be understood differently from the contextual environment. If these resulting internal and external analyses are projected into the future, we will begin to "define the mess". (p. 103)

The literature on <u>ideals</u>, <u>goals</u> and <u>objectives</u> is often confusing its own terms. Ackoff views all the above as ends or "intended outcomes of action taken". (p. 104) But each is defined as follows:

Goals--ends that are expected to be obtained within the period covered by a plan. Objectives--ends that are not to be obtained until after the period planned for, but toward which progress is expected within that period.

Ideals--ends that are believed to be unattainable but towards which progress is believed to be possible. (p. 104)

In what Ackoff terms an interactive system, the role of the professional planner is not to prepare plans or even the above statements of goals, objectives and ideals, but rather to act as a facilitator where people are "planning effectively for themselves." (p. 124)

In order to become an ideal-seeking system--and how else can an educational institution or system define itself?--the "system must have a management system that can learn how to learn and adapt."(p.127) This is of course Model III Argyris and Schon. (1978)

Learning requires information, and management information may be most difficult to come by in educational settings. But "one cannot specify what information is needed for decision making until a valid explanatory model of the decision process and the behavior of the system has been constructed." (Ackoff, pg. 141) Is this not a crucial reason for launching a new system with strategic planning rather than strategic action?

If finding the "gaps" requires a subtraction of the projected scenario from the idealized design, then filling these gaps requires the formulation of alternatives; alternatives whose outcomes are controlled by variables. We must ask:

What are the relevant variables?

Can they be extended by:

> Enlarging participation?
>
> Creating an atmosphere that encourages and supports unconventional and imaginative proposals?
>
> Considering things that can be done to large influenceable systems? (pp. 193-4).

We must also ask:

> Which of these can be controlled and which not?
>
> To what contraints are these subject?
>
> How do the relevant variables interact to produce outcome?
>
> (p. 193)

We may be able to control the apparently uncontrollable by:

> Reducing the system's sensitivity.
>
> Influencing individuals and organizations by the use of appropriate incentives.
>
> Or, by collaboration.

We will not substitute description for explanation, a practice that "may well be the single most important cause of planning failures". (p.194)

Once the variables are considered we must evaluate alternatives in terms of our resources. This requires experimentation which Ackoff calls "controlled experience" (p.237) and adjustment in levels of control i.e. "control of the organization by management,control of management and control of the controllers of management". (p.248) (In higher education the question is, "Who controls the Board of Governors?" Or as French and Berdahl ask: "Who guards the guardians?" (1975)

The "lenses" from the higher education literature will of course be more focused on the higher education setting. But almost all of this

literature concentrates on strategic planning for the individual college or university. The planning problems of the multicampus system transcend those of the institutions, and cannot simply be an adding together of institutional plans. In this respect multicampus system problems may parallel those of multidivisional business corporations. (Berg & Pitts, 1979)

However the literature focusing on strategic planning for the individual campus is not irrelevant to our study; particularly since the newly founded SSHE not only distributed sections of George Keller's Academic Strategy to the planning committee, but in fact hired Dr. Keller to actively direct the strategic planning effort in its first year. Both his book and his presence were testimonials to the importance of the new management and planning style.

Keller's lens focuses on the president. Presidents are active, they look outward, they are competitive and market oriented, they concentrate on decisions, they participate and are tolerant of controversy, and they concentrate on the fate of the institution. (1983 p.143-151) Clearly this is a model of the adaptive, organismic type.

The generic approach for any strategic planning scheme consists of the elements of environmental assessment, institutional assessment and values assessment. (for example in Peterson 1980) These elements are paralleled by Chaffee's 1985 divisions of strategy into the adaptive,the linear and the interpretive. Kotler and Murphy (1981) translate a market design approach into the environmental assessment element.

Strategic decisions are a hoped for consequence of any strategic planning. By definition these decisions should be about the strategic focus of the organization. In higher education all other areas are, or

should be, ultimately supportive of academic programs. Reflecting this focus, Leiong and Shirely (1984) slice the strategic planning process into mission, clientele, goals and outcomes, program mix, geographic service area and competitive advantage. Tach, Rentz and Russell (1984) consider strategic planning for academic programs as the key to strategy for institutional survival. Their five-stage process builds on the mission statement, followed by a strategic plan and suceeding shorter time frames. Bean and Kuh (1984) have formulated a useful matrix for sensitising us to planning problems. Four stages are identified as: 1) Assessment of the capacity to plan; 2) Initiation of planning activities; 3) Development of the plan;and 4) Implementation of the plan. In each of these stages goals, participation, information and communication, internal and external dependence, and resources will take on differing critical profiles. For example: During the assessment of the capacity to plan, goals will be a problem if there is a weak level of institutional consensus. (p.39) Thus in a newly founded multicampus system of fourteen institutions each with 100 year histories, goal consensus can hardly be expected. Somehow strategic planning processes must get off the ground without meeting this criterion.

This very problem is addressed by Womack and Podemski (1985) in what is probably the only recent literature to directly address planning in a multicampus system. As such it becomes our most focused lens. Womack and Podemski consider that the key to the goal problem is to articulate <u>appropriate</u> goals which "<u>reflect the real needs of the system</u> and not mere justifications of what already exists at each campus". (p. 2) (my emphasis). Not that the system is necessarily going to know what its needs are, but nevertheless it must look to itself, rather than to the

institutions, to find them.

Other criteria for effective planning in multicampus settings identified by Womack and Podemski include:

The necessity for systems to demonstrate their own relevance. This must be based on data showing that social needs are being met. The necessity for systems to preserve the individuality of each of their campuses, in particular by allocating resources in proportion to mission and individual campus need.

The necessity for the system to coordinate decision making with a structural process which will enable diverse and even adversarial groups to cooperate.(institutional union and management groups, for example)."Each campus must be given the opportunity to participate and have equal opportunity to influence decisions." (p. 2)

The necessity to "facilitate communication with internal and external publics"(p.3), the plan itself becoming a vehicle for this communication.

The necessity to promote accountability with the plan itself establishing an agenda for reaching goals.

The necessity to compete for state resources.

The necessity to coordinate change.

The necessity to facilitate future planning. The shorter planning cycles of strategic planning "require a committment to continuous planning and a sincere belief in it benefits". (p. 3)

II

The Multicampus University

In their recent discussion of multicampus typology, Creswell, Roskens and Henry consider their article to be "a return to the serious examination of multicampus systems" and an affirmation of "the importance of studying systems as a unit of analysis". (1985 p.35) The article also reaffirms the importance of Lee and Bowen's works (1971,1975) on multicampus systems, works which could be regarded as the only source of truly major significance to date.

It may be simply oversight when Creswell et.al.(p.26) conclude that Lee and Bowen's works are limited to the analysis of a single type of system. In fact, Lee and Bowen examine a wide spectrum of system types including those of Wisconsin, Illinois, North Carolina, Texas, California and New York. It is true that in Lee and Bowen's typology both the California State College System and the State University of New York (SUNY) are typed consolidated because, under their founding conditions, a group of existing and scattered institutions was brought together under one central administration. But the two systems differ significantly in that California (a segmented system) consists of only one type of campus, i.e.5-year state colleges; whereas SUNY (a comprehensive system) consists of 2-year, 4-year, and 5-year campuses, A&T Institutes plus Research Universities. Thus the California State multicampus university is typed as a segmented, consolidated system while SUNY is typed as a comprehensive, consolidated system. The other key term in Lee and Bowen°s typology is flagship, or flagship multicampus university. (For example, Madison and the University of Wisconsin system.) In contrast to a consolidated system, the campuses in a flagship system are frequently

spinoffs (e.g. Milwaukee) from a large state university which remains dominant in the later federation. A simple 2 by 2 table accommodates these types: (see appendix).

One reason for excluding statewide systems from a study of multicampus universities (as Lee and Bowen did) is that the statewide system no longer serves as a formal buffer between individual institutions and state coordination of higher education. In practice, though, we might expect the governing board of a statewide system (such as Florida's), even if synonomous with the department of education, to serve as a buffer between the institutions and the political machinery of the state.

In sum, Creswell, Roskens and Henry's 5 typological categories really add little that could not be incorporated into the Lee and Bowen scheme. Creswell's dominant category, the 38 Homogeneous public systems, are all of the segmental type (i.e the educational level is controlled and bounded by statutory laws), but the category fails to distinguish that critical founding condition. Was it consolidation or flagship generation of the campuses?

Creswell et. al. also develop a separate category for statewide systems, but these can easily be accomodated in the Lee and Bowen typology with an asterix. Some of the structural dimensions of the statewides may be much more important than simply stating the condition of state inclusiveness.

Finally, the six private systems listed by Creswell et. al. are a special case, sharing more similarities with other private universities of comparable size and complexity than with the public multicampus systems and the inevitable symbiosis with state governance.

Since an important purpose of a typology is to facilitate communication, the construction of typologies unrelated to theory generation simply muddies the waters. Perhaps this thought was unconsciously present when the authors stated that "a typology of multicampus systems can only be exploratory. In the first place, systems are contrived and subject to change and refinement . . . Secondly, a typology is limiting because it highlights the extreme cases and sometimes obscures hidden differences." (p. 34)

More important than typing systems is to ask, "Why do we need the multicampus university anyway?" After all are not academic institutions able to govern themselves most effectively? And don't we have machinery at the state level to monitor the public sector for accountability? Paraphrasing John Gardner, Lee and Bowen state that " the promotion of intentional change through academic planning is one of the most frequently given reasons for the establishment and continued existence of the multicampus university." (1971 p.215)(my emphasis). Another frequently stated reason is that the multicampus university serves as a buffer between the state and the institutions thereby extending the assumption "that the widest possible range of educational decisions should be separated from the explicitly political arms of the state." (Lee and Bowen 1971 p. 217) This was certainly one of the motivations for the founding of SSHE.(see Section V)

"Economy" was the explicit reason for the formation of the University of North Carolina System in 1931. In that era the "first major act of the new system was to reallocate major academic programs." (Lee and Bowen, 1971, p. 69)

However many systems came into existence during the masterplanning

era of the 60's. The California State Colleges were simply transferred from the California Board of Education to an appointed governing board and chancellor. Most consolidated systems, including SSHE, have followed this pattern. Consolidated systems also govern from a central office which is isolated from any of the campuses. Each campus continues to maintain a local advisory board. Consequently the chancellor and governing board in a consolidated system do not begin with the automatic respect given to the chief executives of flagship systems.

Considerations on the Relation Between Structure and Planning

"The most obvious factor shaping academic plans and programs for the multicampus university is its formal relationships to other academic institutions in the state, often expressed in constitutional or statutory language". (Lee and Bowen 1971 p.221) Thus, for example, doctoral and advanced professional work may be excluded from one segment. This is the case in the California State College System, and largely true for the new Pennsylvania System.

Not only level but also function can be pre-structured. From its inception the institutions in the North Carolina System have been allocated functions or assigned specific program missions; whereas both of the California Systems have regarded all institutions within their segment as general campuses. Following Lee and Bowen's analysis:

> This open ended concept places heavy demands for program review on the system administration; there are few organizationally structured limits on what a campus may propose. Thus, the system has the continuing burden of developing a truly coordinated

> approach of avoiding unwarranted duplication, and of encouraging desirable specialization. (1971 p.223)

In Elms' more recent study of California program review, she concluded that "long range academic plans in both (California) Systems proved unreliable in predicting the actual implementation of new programs". (1980, p. 438)

Most systems, however, fall in between these extremes of specialization and generalization.

Because the comprehensive systems have a built in division of academic labor and function--between two-year, four-year and university campuses--their planning task is both more complex, yet more manageable. (see Lee and Bowen, p. 224)

Regarding the status of academic planning in the 60's, Lee and Bowen quote Paiola (1968) who concluded that academic planning in the United States was "goal evasion".

> Instead of examining basic issues by educational policy, most long range planning (was) quantitative, routine, means-oriented, based on limited research, without priorities and initiated by pressures external to the institutions. (p. 227)

Rather than "goal evasion" though, Lee and Bowen found an overabundance of goals and "the apparent impossibility of rational choice among them.(p. 227) What effective planning they encountered took place, by and large, "in response to <u>external demands</u> from state governments or coordinating agencies." (p. 228) (my emphasis) Notorious, perhaps, was the four year planning cycle in New York, which led a planner to say "We don't plan. We write plans". (p. 229)

Decision oriented executives might say "I don't want to concentrate grievances by denying everyone's proposals at the same time in a formal plan." (p.229) But even under the best circumstances

> each university is faced with immense sunk costs in terms of physical plant and staff, the latter often with tenure. It is often difficult to reshape buildings and personnel to meet changing educational goals. There are also organizational barriers to effective planning. In every university there is difficulty in relating the relatively open ended process of academic planning to the more specific requirements of the capital and operating budget. Each process has its own timetable; its own staff; its own dynamic; and they are rarely coordinated. In theory academic planning should precede budgeting. In fact, both the physical and operating budgets usually have priority. . .. In part this lack of coordination is a mirror image of state government. . (Thus) the long-range future of (public) higher education depends, not on formal plans, but on the support which the citizens of the state--as represented by their political leaders--wish to give higher education. The critical question, then, is the extent which a formal planning process by the multicampus university will enhance political acceptability. There is little evidence that it makes any difference. (pp. 229-30)

However Lee and Bowen also forsee that the multicampus university, as a governing body, has the potential to integrate planning. This was frequently thwarted by a lack of adequate staffing. Thus they can say: "While a paradox, perhaps, that a knowledge-oriented institution should give such little attention to its own research and development, this is

unquestionably the case." (p. 232)

But more of the same is not what Lee and Bowen were searching for. They said:

> Long range master planning has been oversold. . . Too much time and attention are being devoted to attempts at comprehensiveness at the expense of emphasis of the critical points of decision. The system's unique responsibility to foster and enforce diversity, specialization and cooperation among its campuses has often been lost in a sea of detail. Secondly, many academic planners appear reluctant to recognize that their work is not a substitute for the political process but a critical part of it, that the academic plan is not an end result but a step in a continuing fluid stream of decision. . . Because of its broader planning base, there are opportunities for cross-campus comparisons, for program experimentation and evaluation, for pilot projects, and for assessing the relative validity of certain goals. . . if the system is to be more than a collection of autonomous campuses, new and different approaches to long range planning will be required.

(p. 233) (my emphasis).

In the mid seventies , following a dramatic and unforseen downturn in the national economy and in the state resources available to higher education, Lee and Bowen returned to the nine systems for a second look. They reported:

> Some things remain the same--the gap between the ideal and the real, the autonomy of the individual professor, and the reluctance of state government to regard plans as more than prophecies. But much has changed, for organizations like individuals often show greater

capacities in adversity. Reduced fiscal support, reduced enrollment, or both provide opportunity and demand for academic leadership. This is evident in the quantitative and qualitative improvement in the process and results of academic planning during the past five years. No longer merely responsive to external demands from state officials, multicampus systems have been forced by the imperative of internal decision making and resource allocation to develop planning capability at both the campus and the systemwide levels. (1975 p.21) (my emphasis)

These internal realities force planning and budgeting processes closer together into something resembling the PPBS model. Lee and Bowen found ample evidence that multicampus systems were indeed performing a role in balancing and allocating programs and resources, while still protecting campus autonomy and initiative. But they also indicated that more was required:

The multicampus system would seem to enjoy several advantages in the search for new approaches: It can be a source of financial and technical support for the campuses, but limit risk to one campus; it can be an objective judge of experimental success or failure; it has interior lines of communication to transfer successful programs to (a) wider--perhaps captive--audience. With physical and educational resources widely scattered across a state,a multicampus system can reach a statewide nonresident student body and it can more readily develop programs drawing upon broad resources of more than one campus. (p.77)

This potential had shown itself in only a handful of non-traditional, system-wide experiments. These included Empire State College, California's

Extended University, the California State College Consortium and the CUNY Graduate School.

Thus in 1975 after six years of observing the multicampus university, Lee and Bowen offer the following as a model for the 80's:

a) Continuing and conscious awareness that most decisions, most of the time, are better made at campuses than centrally.

b) Equal awareness that some decisions--often the hardest ones--must be made by the central administration and the governing board.

c) The best possible information--historical, current and projected --about programs and needs, coupled with judicious use of such information for more informed decisions at both campus and systemwide levels.

d) Flexibility within the multicampus system to employ budgetary resources effectively among campuses--and at the campus level, among programs--to ensure diversity and specialization in a period of increasing fiscal constraints.

e) Equitable procedures for dealing with personnel retrenchment, and positive programs of intercampus mobility to soften the impact of faculty layoffs.

f) Regional and system-wide academic programs which attract and engage the abilities of faculty and students beyond the horizons of a single campus.

g) Systemwide capacity--both technical and at the higest policy levels--for institutional self-analysis, evaluation, and change.

f) Ongoing efforts to mobilize energies of campus administrators, faculty, and students to seek solutions not only at their campuses but within the system as a whole. (p. 149) (my emphasis).

Following 1975, except for a few isolated and specialized doctoral dissertations, there is a void on scholarly observation and analysis of our largest operational higher education unit, the multicampus system. During the early part of this ten-year span much attention was given to statewide coordination and to 1202 commissions. During the last few years of this span we have seen the emergence of strategic planning as a force in higher education.

III

Structure, Strategy and Organizational Types

Until recently, and except for isolated voices, business approaches to managing organizations have not won favor in higher education. Business practices have been adopted in the finance and personnel areas; this, in fact, from the earliest years of the century. But business practices have certainly not been adopted in the sacred academic and academic planning areas. "Muddling through" has been the order of the day. (Lindblom, 1959)

The classical arguments against technocratic planning and strategic approaches have been based on the characteristics of higher education and its institutions. As summarized by Baldridge et.al.(1977) these include

goal ambiguity, client service, problematic technology, professionalism, and environmental vulnerability. Professionalism, alone, implies autonomy, divided loyalty, tension with bureaucracy and peer evaluation. Institutions in higher education are also characterized as being loosely coupled (Weick 1976) and behaving as organized anarchies (Cohen and March, 1974).

Keller offers us vignettes of strategic turnarounds in small colleges, especially in those faced with life or death situations. But in his words, a large public university such as Minnesota has "had to be patient, to creep toward a content laden strategy through an obstacle course of awareness sessions, new processes and financial setbacks. For large, varied organizations(such as the multi-campus university) this may be an almost obligatory way." (1983 p. 189)

If Mintzberg is right, most of our higher education institutions are Professional Bureaucracies. And in such an organizational type even "the notion of strategy . . . loses a good deal of its meaning". (1983 p. 200)

> Like the Machine Bureaucracy, the Professional Bureaucracy is an <u>inflexible sturcture</u>,well suited to producing its standard outputs but ill suited to adapting to the production of new ones . . . (Indeed) The problems of innovation in the Professional Bureaucracy find their roots in convergent thinking, in the <u>deductive</u> reasoning of the professional who sees the specific situation in terms of the general concept. . . this means that new problems are forced into old pigeonholes . . . The fact is that great art and innovative problem solving require <u>inductive</u> reasoning--that is, the inference of new general concepts or programs from particular experiences. That kind of thinking is divergent--it breaks away from old routines or

standards rather than perfecting existing ones. And that flies in the face of everything the Professional Bureaucracy is designed to do." (p. 209-210)

Mintzberg's solution to this dilemma is the "Adhocracy", a project type of organization which at present is short-lived, but whose success is mostly projected into the future. It is designed to innovate.

Considering the types of organizational adaptation identified by Miles and Snow (Defender, Prospector,Analyzer and Reactor), the Defender category seems most congruent with a Professional Bureaucracy. Defenders not only defend a terrain but also defend products and standards. (e.g. A SSHE motto is "High Quality Education at an affordable price".)

Surprising, perhaps, is Hambrick's (1982) classification of four small private Pennsylvania colleges as prospectors. (This is from a sample of eight.) However, these colleges were probably not fully functioning professional bureaucracies. Thus at one extreme we could find community colleges acting as prospectors(i.e. as market innovators) through management fiat because, in fact, their teaching staff is not professionalized at all; while at the other extreme a small private college could act as a prospector because it is in fact an adhocracy, and not a professional bureaucracy. In any case, there seems little question that most large universities and public universities are defenders.

The strategic challenge put forth by Lee and Bowen ten years ago calls for moving at least some small portion of the multicampus system into the adhocratic and prospector categories. Once this is accomplished on a significant and sustained basis, the organization has in fact become an analyzer. This means it has preserved its professional bureaucratic

core while yet seeking new experimental alignments with its environment.

Quinn (1980) argues that strategic changes are not accomplished through planning, but rather through incremental management action. (Mintzberg also argues that this is the only way to make changes in professional bureaucracies.)

However efforts continue to be made to reconcile formal planning and this logical incrementalism. Camillus(1982) proposes a three dimensional matrix which includes analytical, interactive and temporal dimensions.

> The interactive dimension is substantially determined by the organizational context. . .
>
> The temporal dimension consists of:
>
> 1) Horizon, or length of time into the future that the strategic plan should embrace.
>
> 2) Span, or duration of synoptic (analytic) activities, i.e. the tradeoff between adequate time to carry out proper analysis on one hand and the problems of maintaining momentum, reducing the likelihood of assumptions becoming obsolete and minimizing the direct and opportunity cost of executive time. This concern is necessarily of equal if not greater importance from the point of view of logical incrementalism, given the need to integrate the output of the various subsystems, influence the character of the interactions taking place and permit implementation of strategic projects. (p.280)
>
> 3) Frequency, or cycle time of activities. Creativity, which is the acknowledged essence of strategic planning will be stifled by the monotony of routine. Reaping the benefit of strategy often requires

> lead times of several years. Too frequent change of strategic direction, too frequent a requirement to scan the environment for strategic discontinuities could lead to a lack of managerial motivation, to an insensitive, lethargic corporate climate. (p. 281) (My emphasis)

A recent article by Robert Cope parallels the Camillus position. Although one of the pioneers in bringing the concepts of strategic planning to higher education, Cope has also shown a reticence to embrace the ideas without qualification. Thus in 1981 he says "The strategic view is also one of humility" and "rather than 'strategic planning' those in higher education should adopt a new expression, one more in keeping with the values of academe; (namely) 'open systems planning'." (p. 55) Cope goes on to point out that military, and deceptive connotations are inherent in the use of the term 'strategy'. However, 'open systems planning' never caught on.

Following Daft and Weick's 1984 characterization of institutions as interpretive systems, Cope (1985) proposes "A Contextual Model to Encompass the Strategic Planning Concept". (p. 13) (Note: A Contextual Model for strategic decision making was proposed by Hambrick and Snow as early as 1977.) The Cope model encompasses the Collegial, Bureaucratic, Political, Anarchistic, Rational, and Organizational Saga perspectives and is defined as follows: "Contextual planning and management is organizational development applied to ongoing institutions of higher education in collaboration with members of the institution." (p. 19) In other words it is a participative model. But isn't Ackoff's also a participative model?

Paralleling Argyris and Schon, Cope also characterizes the model as

organizational psychotherapy. Whether such an all encompassing model can be operationally or theoretically useful I'll leave to the future.

Despite continuing attempts to move higher education to a loftier plain--Cope says that higher education has institutions, not organizations-- I believe they are still in the genus 'Organization'. Thus when Snow and Miles write about "The Role of Strategy in the Development of a General Theory of Organizations", this <u>does include</u> the role of strategy and strategic planning in higher education organizations. And the knowledge that we can gain from the study of our organizations will add to what Snow and Miles call the "growing synthesis":

> Strategy is a key concept because it encompasses a variety of organizational decisions, focuses on both the internal and external environment, and highlights the notion of a <u>fit</u> or equilibrium both within an organization and between an organization and its broader social context. (1983 p.231)

IV

The Historical/Political Context

Strategic planning occurs at the locus of many abstract perspectives(such as those presented in this paper), but most importantly it occurs at the locus of the organization's present context and past history. Clark (1970) speaks of an organization's saga and Chaffee cautions that "the only conclusion one may draw confidently from the higher education studies is that radical departure from the organization's missions is probably an unwise strategy". (1985, p. 162).

As an institution, and a statewide entity, SSHE began without a saga

except for that which it inherited from the State political/educational complex and that which it inherited collectively from the fourteen institutions. Except for one institution , Cheyney, all of the small regional universities making up the System followed the well worn path described by Harcleroad (1968).

The institutions' histories began as private academies and seminaries in the mid-nineteenth century. Pennsylvania's Public School Law of 1834 created a shortage of teachers but nothing was done to remedy the shortage until the Normal School Act was passed in 1857. To become a subsidized State Normal School an institution "had to have 10 acres of land, a hall to seat 1000, rooms for 300 and a model school for 100 children." (Sack 1963 p.527). By 1893 the thirteen Normal Schools were established.

> The typical normal school was controlled by the State Board of Education or State Normal School Board. The Board or department was treated as a code department by the State Government, received a line appropriation from the legislature and was often subject to scrutiny and intense political pressure. In many states the Normal School Board was elected to ensure representation from immediate areas served by the school. Such representation often reinforced state control of the institution at the local level and reflected the desire of the state government and the board to subject the school to continuing supervision. (Harcleroad, et al, 1968, p.22).

In 1911 the Normal Schools were purchased by the State. By 1921, under the newly formed State Council of Education, the schools were empowered to grant degrees and apply for State Teachers College status. But even with the new status, political involvement continued. As viewed by a Pennsylvania Secretary of Education in the last decade:

> It is no secret that our state college system has been for many years a highly political system. Violent disputes over the appointment and firing of presidents, frequent censuring by professional organizations, and similar events attest to this fact. There is an intimate connection between this state of affairs and senatorial confirmation. The tendency has been for Senators to recommend as trustees persons who have been helpful to them politically. . . . It has not resulted in distinguished boards of trustees. (Quatroche, 1975, p. 69, quoting J.C. Pittenger).

In a recent doctoral dissertation, Stout (1983) analyzed the Legislative history and political climate which preceded the passage of Act 188 of 1982, the act which brought SSHE into existence. She used Easton's Political Systems Model which includes the dimensions of environment, inputs, political system, output and feedback. This model is comparable to a contextual or open systems view.

Her study projected four issues which had to be resolved before a Pennsylvania System could become a reality. First, removal of the colleges from the Department of Education and from the Executive Branch of Government; second, defining the responsibilities of the Governing Board, the Chancellor, the Institution Presidents, and the Institution Trustees; third, a Mission Statement; and fourth, provisions for accountability.

Following the McGrath report, Pennsylvania constructed its first Master Plan in 1967. The Plan called for the formation of a policy making board for the State Colleges. Three years later the State College and University Directors Board (SCUD) was created by Act 13 of 1970. However it "never had the effect of creating greater autonomy for the State

Colleges. . . the new Board . . . was hampered by a lack of its own staff and a lack of independence from the Department of Education." (Stout, p. 46).

In that same year, 1970, the Bureau of Planning drafted legislation which would create The University of the Commonwealth of Pennsylvania. This bill was specifically created to control program proliferation but the idea was lost during a gubernatorial change. (Stout, p. 48).

By 1971 the Association of Pennsylvania State College and University Faculty (APSCUF) had won collective bargaining rights. (Lozier and Mortimer 1974, and Johnson and Mortimer 1977). Asserting its new power, APSCUF petitioned the SCUD Board for the creation of a new University System. This Legislation was drafted in 1974.

Reflecting a national pattern, the Pennsylvania "environment" of the 60's had been one of growth and Legislative support. But this was followed in the 70's by fiscal crisis and what Johnson and Mortimer termed the"politics of retrenchment". In Pennsylvania the politics of retrenchment is further confused by a shift of power away from the State College Presidents. This occurred because the collective bargaining contract bypassed the institution presidents.

This then sets the stage for the <u>inputs</u> into an open systems or political systems model. As identified by Stout these inputs include:

1) The ad hoc Association of Presidents of the State Colleges; a group which had long resented civil service personnel rules, the state voucher system, printing restrictions, etc. These Presidents particularly wanted a Chancellor as a strong advocate in the State Capitol at Harrisburg. (p. 71) (In 1976 President James McCormick of Bloomsburg State College was one of the Commission Presidents testifying for the

System idea. Mc Cormick is currently the founding Chancellor of SSHE.)

2) The Presidents of the Commonwealth Research Universities who wanted the new System segmented, i.e. restricted from stressing research or offering doctoral degrees. They also wanted to keep the wording "University" and "Commonwealth" out of the System title. (p. 72).

3) The Commonwealth Association of Students (sensibly) called for "less bureaucracy and more efficiency". (p. 73)

4) The Association of Pennsylvania State College and University Faculty (APSCUF) were happy to bargain with one chancellor rather than fourteen presidents. But they also wanted university status with research and doctoral programs, not to mention fiscal autonomy from the State. (p. 74)

5) The Statewide Association of Trustees wanted to keep its local advisory roles and continue to have a voice in Presidential selection, a voice in the Pennsylvania Association of Colleges (PACU) plus a voice in collective bargaining.

6) The Executive Branch presents the most politicized input. During the Shapp administration the Office of Budget was strongly opposed to a System for the State Colleges. Secretary of Education John Pettinger (previously quoted) agreed with the fiscal control advocates, but wanted to see the colleges become independent of the State Board of Education. Governor Shapp had strong objections to "moving 10,000 employees out of the Executive Branch of Government". (p. 77)

Thornburg won the Governorship in 1978 having made a campaign pledge to the education community that they would see the State College System become a reality. However his own Secretary of Education had reservations so the concept continued to lie fallow. Toward the end of the term Budget

Secretary Robert Wilburn, a former State College President, proved a decisive figure. According to Stout, "Wilburn's view was that as long as the legislation gave the power to hire and fire the presidents to the chancellor and board, and as long as the power to distribute the money was given to the central board the chancellor and the board would have the ability to take on as much power and centralization as they desired." (p. 79)

During the stretch drive some key Legislators still appeared lukewarm. In 1981 the Senate changed from Democratic to Republican majority. Sponsorship of the System bill passed from Reibman, a Democrat, to Loeper, a Republican.

Still a hurdle was the perenial cry that expenses in the Chancellor's office would "run wild". In 1982 the bill was amended to restrict funds for the Chancellor's office to one-half percent of the total appropriation. (This of course eliminated the possibility of the System developing an elaborate planning office.)

Finally in response to intense pressure from the Governor the bill was passed by a Republican House and Senate on November 8, 1982. Thornburg thus made good on his campaign promise one day before the polls opened for his second term bid. (pp. 105-117)

In the political systems model, Act 188 is the output. Stout's asnalysis of the Act was in part forseen by Secretary Wilburn. She states: "The law provides for a centralized system. In reality the degree of centralization and local control remains to be decided. That will be one of the effects of the implementation of Act 188 and it will be determined largely by the types of administration established by the

personalities which occupy the office of the Chancellor, and the positions of members of the Board of Governors." (p. 137)

Of particular concern for our analysis of strategic planning is the extent to which the centralization/decentralization issue gets played out in the planning process and in the planning implementation. Many of the stakeholding bodies who were active in passing the legislation will remain key actors in the strategic planning process.

In the final dimension of her model, namely Feedback, Stout sees some potential conflicts between these stakeholding bodies. The first is between the System Board of Governors and the State Board of Education. The second concern is the retention or loss of the preferred budget status. This would pit the System Board against the Department of Budget and the Legislative bodies. A third concern is for the possible expansion of the System and even possible inclusion of Community Colleges. This would again involve the System with the Board of Education and other state-wide advisory boards. A fourth concern is for the internal composition of the System Board of Governors, and a fifth concern is for the collective bargaining contracts. (p.140-) We will want to keep these elements in view as potentially affecting or being affected by strategic planning.

As a happy conclusion, Stout views the passage of Act 188 to be a win-win situation with the exception of those Department of Budget officials who had forecast financial doom.

V

Some Formative Observations of the Planning Process

Following the passage of Act 188 a Team was formed to facilitate the transition from Department of Education administration of the State Colleges, to System administration of the same institutions. They would be titled Universities as of July 1, 1983. During this six month period a Transition Document was put together, a suitable building was located in Harrisburg, and some key staff members were recruited. There was undoubtedly a flurry of activity which has yet to be chronicled. Our interest in this period would focus on what, if any, ground work was being laid to meet the planning charge in Act 188.

The first publication from the new System--dated July 23, 1983--was a response for affirmative action. The document was primarily a consolidation of data from the institutions, and was a direct response to a Federal order given to the entire Commonwealth educational establishment.

My initial contact with the System occurred in the fall of 1983. I had an interest in taking a look at some aspects of Central Governance as the System was forming. My entrance was facilitated by Dr. William Toombs, Director of the Penn State Center for the Study of Higher Education.

During my first visit to the System office--which was still under renovation and mostly lacking furniture--I learned that both the Board of Governors and a specially appointed planning commission would be formulating a strategic plan for the System in the coming months. I expressed my interest in observing the process and at least was not refused.

Thus most of my direct knowledge to date concerning SSHE's process for strategic planning comes from these observations of six full days of planning during the period January through April, 1984. This has been supplemented by a few interviews, most notably those with Dr. Kerry Moyer, the Director of Research and Planning.

My first set of observations were made during the three day inauguration of strategic planning, January 16-18 , at the Harrisburg Mariot. On the first morning committees of the Board of Directors were in session. I observed the Academic Policy and Planning Committee.

Much of the business concerned programs, and program approval. The topic drawing the most animated discussion involved potential involvement of the System Universities in business and industry ties, especially with seed money from the States Economic Development Fund titled the Ben Franklin Partnership. One point of particular concern was whether the available money should be spread across the institutions or focused on part icular projects.

In the afternoon after some preliminary introductions, Dr. George Keller addressed the Board of Governors. I believe this was the first time he had spoken to the complete Board although he had certainly met previously with a subcommittee and/or individual members. He also had spent some time with key members of the Chancellor's staff and with the Academic Policy and Planning Committee. He had also been on at least a couple of the campuses.

The sequence of persons and events which led to the hiring of Keller are still unknown to me, although Dr. Moyer told me that a full scale search had been made before Dr. Keller was hired. Also unknown are the events which led the System officers to decide that a "Strategic" effort

would best meet the planning charge given in Act 188. The legislation calls for "comprehensive" planning.

Composition of the Board

By law fourteen members of the sixteen member Board are "appointed by the Governor with the advice and consent of the Senate" (Section 2004-A of Act 1982-188).

Five of these original members were selected from the SCUD Board, the previous policy making body for the State Colleges.(This was also required by law.) Additionally, three members are students, all of whom are selected from the Presidents of the campus Student Organizations. Five more members are Trustees selected from five different institutions. The remaining three members include one member at large, the State Governor or his designee, and, the Secretary of Education. Thus about half of the institutions will not have a direct representative on the Board.(Of course all of the Governors, with the exception of the State Governor and the Secretary of Education, are expected to be serving the System as a whole and not representing any particular constituency.)

Keller's address to the Board

Keller began by describing the planning charge in Act 188. He stated that "the Act clearly sets the burden for priorities in the System on the Board. . . Today is the first day of the rest of the System's life."

He indicated that through a series of planned workshops the Board must come up with a set of charges for the Long Range Planning Committee;

and that they must complete the task by the end of the evening.

Keller then went on to describe the National scene, i.e. the demographic and economic environment which the strategic planning would have to confront. Of particular signifigance to the Pennsylvania System would be the projected 31$ drop in high school graduates.

He also asked the Board to consider the implications: of our becoming a "geriatric" society; of our "service" economy and declining productivity; of the incongruity of an educational system which is oriented toward Europe while the world focuses on Asia; of a technology in which "electrons move instead of people". In short he said "there is a need for a third-life for the Pennsylvania Colleges."

Keller asked the Board to consider the changing role of higher education in society; the turning upside down of institutions by transfers, returning professionals and foreign graduate students; and the enrollment of more higher education students outside of the colleges than within the colleges.

Although education is one of the largest industries in the State of Pennsylvania, Keller characterized its growth as irrational thereby "doubling the imperative for the fourteen campus System." He asked, "What can the State System Colleges offer that other state institutions cannot?" The answers include rural settings, small and modest size, high faculty salaries and low student-faculty ratios. On the debit side he characterized the colleges as having "a confused management situation"; being "incredibly weak in the technical areas"; having crumbling physical plants; having a competitive past(internally) but lacking external marketing, public relations and visibility. (This would be stressed, of course, in the adaptive model.)

Keller then contrasted the old linear planning style--calling it an "internal goodie list"-- with strategic planning. Strategic planning "recognizes external mandates for change"(whereas Universities usually keep on doing what they've been doing); takes cognizance of the total educational situation in the State; and is "brutally honest".

As he sees it there is a need for "strong marketing of strong academic packages; there is a need for sharing and collectivity; and there is a need to "combine liberal arts with career preparation for first generation college goers" who are predominant in these colleges.

Following this address which was informative as well as being a pep talk, the Board moved to confront the task of whittling down a laundry list of some twenty-one possible charges into a number which could be reasonibly addressed by the Long Range Planning Committee. (To date I have not had the opportunity to inquire into the source of the original twenty one charges. It is my guess that Keller compiled them during his preliminary investigations and conversations, particularly those with the Academic Policy and Planning Committee.)

Because I had to return to Penn State to teach a class, I missed the Board workshops which occurred during the late afternoon and evening of the 16th. A comparison of the "laundry list" with the final charges indicates that the Board did more rearranging than deleting, and in fact added hardly anything of their own. Nevertheless the final document was in much more manageable form and the Board must have learned something while grappling with the issues.

In capsule form the eight charges which the Board of Governors gave to the Long Range Planning Committee were:

1) Define the education role of the System(in the State).

2) Suggest educational work for the System Universities for the future.

3) Develop an action plan for decline.

4) Create a series of initiatives to foster economic development, and also social and cultural development.

5) Develop specific ideas for both increasing and measuring quality, including special areas of excellence.

6) Design strategies to reverse physical deterioration.

7) Propose ways to support the advance of minorities.

8) Suggest areas for increasing economy, efficiency and productivity.

As some of the subcommittees pointed out later, not all of these charges are "strategic". Nevertheless they all, potentially, have serious implications for the System.

A Formal Board Meeting

On the morning of the 17th the Board again met, primarily in executive sub-committees. This was followed by an open Board meeting and contract signing with the State College and University Professional Association (SCUPA), a body representing upper level administrators in the System.

Much of the activity was of the rubber stamping variety that we expect in open board meetings. Relevant to our interests was Interim Chancellor McCormick's report on progress in the System since its inception in July.

His first point was that "administrative control remained at the campuses". However he added that the goals of the Campus Presidents were being reviewed to link them with System goals; a major one being to establish some strategic directions for the System. (The Chancellor's term, strategic directions, is of course known in the Strategy literature; but use of the term did not reoccur during the formative planning process. However the final version of the Strategic Plan, which appeared in the Fall of '84, was titled "Strategic Direction Statements".)

McCormick also indicated that an action plan was being developed to improve communication. (perhaps indicating that some problems existed) As a final point Mc Cormick stated that his overarching goal was "to have all participate". (Exactly what this referred to was not clear, though it was certainly relevant to the upcoming planning sessions.)

Also of interest was the fact that the Board gave permission to the Academic Policy Committee to make program approvals without giving the Board the opportunity to review them. Secretary of Education Robert Wilburn (formerly Secretary of Finance during the crucial months prior to the passage of Act 188) abstained on this one.

The Strategic Planning Committee

Early the next day the Long Range Planning Committee assembled in the System offices to begin a process which would span four months.

The Chairman of the committee was Dr. Syed Ali-Zaidi, a ceramic engineer by profession. Dr. Ali-Zaidi also chairs the Academic and the Long Range Planning Committees of the Board of Governors. Before being

Universities.

3) Interim Vice Chancellor for Finance and Administration Wayne Fallor, a former Comptroller of the State Department of Treasury.

4) Executive Deputy Sam Craig.

5) Chief Counsel Wayne Richardson, a former Assistant Attorney General in the Pennsylvania Department of Education.

6) Academic Planning Associate Julius Harrington.

7) Academic Associate for Research Kerry Moyer. Moyer had been a Senior Researcher in the Department of Education prior to his System appointment. As well as holding academic appointments, he is now the Director of Planning and Research for the System.

Thus the Planning Commission not only represents many of the groups which brought the System into existence but also contains considerable planning expertise and experience.

Planning--The First Day

The first planning day was treated with some ceremony, including the presence of State and Educational leaders and the press. After some preliminary introductions McCormick made a brief address. He said he believes that planning is "something which makes a difference", and that it is being taken seriously by the Board of Governors. He mentioned that the academic area(the focus of the planning charge) uses one-half of the

appointed to the Board of Governors he had been a member of the SCUD Board, the predecessor the Board of Governors. He also continues as a Trustee at one of the System Universities.

Remaining members on the Planning Committee include:

a) Two students from System Universities.

b) Five faculty members chosen by their union, APSCUF.

c) Seven representatives of the business community, as chosen by the State Chamber of Commerce. Three of these business representatives are professionally involved with business and industry training.

d) Five State System University Presidents as chosen by the ad hoc Commission of Presidents.

e) Six additional members of the Board of Governors.

f) One member of the Pennsylvania House of Representatives.

g) One member of the Pennsylvania Senate.

f) Consultant George Keller.

g) Seven staff members from the Chancellor's office. (They were not formal members of the committee but did fully participate in the discussions.) They include:

1) Interim Chancellor McCormick who is on leave from the Presidency of Bloomsburg, one of the State System Universities. McCormick has been an advocate for the System since his appearance at hearings in the mid-70's and has continued to date as permanent Chancellor for the System.

2) Interim Vice Chancellor for Academic Policy and Planning Nancy Nelson, who was on leave from her permanent post as Vice President for Academic Affairs at one of the State System

dollars allocated to the enterprise, and lamented the fact that in six weeks he will be presenting a "budget without a plan".

Keller also addressed his fellow planners, calling this "an extraordinary occasion--a 'Continental Congress' meeting." He reminded them that they were designing the '3rd-life' for the State Colleges, following the Normal School/Teachers College era to 1960, and the Liberal arts/Comprehensive era to 1983. He pointed out that the growth of the higher education system has been comparable to the growth of IBM and that they "The Citizens of Pennsylvania" had the responsibility for guiding this vast new enterprise. He admonished them "not to be representatives but to be planners for the coming decade".

True to his writings Keller characterized strategic planning as "Darwinian". He cautioned the group that "the curse of planning is that it is interminable but the campuses need guidance so they must come to closure." Their timetable called for a first draft by June 1st.

Following Keller's remarks, Moyer presented the planners with some current statistical projections. (Each had already received packets of basic quantitative information on the State, the System and the institutions.) A focal point in Moyer's presentation was that Teacher Eduction is the backbone of the System;that System Universities supply 51% of the State's teachers.

Interestingly, enrollment was up 3% in the Fall of 83. Moyer indicated that it could be attributed to the new status of the institutions as Universities. But he cautioned that they must come up with contingencies for the worst case scenario which could be a loss of 30,000 students over the next ten years.

Other threats and opportunities had been identified in the planning documents compiled by the Office of Academic Policy and Planning. Identified threats included: duplication of facilities and programs; lack of distinct missions; inadequate financial support and possible legislative perception as a "public utility"; lack of data base and administrative precedents; a future clientele requiring high levels of remedial work and counseling; high percentage of tenured faculty without terminal degrees(approximately 50%); lack of system level lobbying and alumni coordination; low enrollments of part-time and urban students.

Identified opportunities included: geographic access to students; least expensive 4 year colleges in Pennsylvania; stable funding; (potential) economy of scale; responsiveness to Commonwealth needs; variety of academic programs; low student/faculty ratio; strong educational tradition; strong rural market.

Before the end of the morning the committee was broken up into strategic planning groups of 6-8 members each. The Chancellor and at least one of the Presidents were designated floaters, meaning that they could and would circulate from group to group. Each group had a convenor and a recorder. Throughout the remainder of day one I stayed with planning group 3.

The Planning Process and Planning Data

(Although richness in detail and accurate sequencing are important for following and evaluating a process, we will have to forego much of

that here for summarizing. The four full planning days, January-April, will be lumped together even though there was some sequential development in group processes, including a tempering of positions.)

The process chosen by the planning coordinators was of a modified Delta type with the small groups merging once or twice each day to summarize their discussions. All of this information was recorded but certainly some accuracy was lost through the variety of recording styles.

At the end of the first day the positions of the subgroups somewhat reflected those of their leaders. (This was less pronounced in later months.) For example in responding to planning charge number one, the educational role of the system, the group with a business convenor reported their priorities as follows: Emphasize education, health and environmental safety; also information science, communication(including teaching) and recreation and tourism; also production management, accounting, finance and small business management. Should focus and strive for a "critical mass"(i.e. no 2-year schools) and be cost effective. Should strengthen Legislative lobbying and high school ties.

Whereas the group led by a college president reported these priorities: Emphasize 4-year undergraduate teaching; offer reasonable cost; explore the possibility of being accessible to all; have multipurpose offerings at each location; develop cooperative regional graduate centers; add community colleges where needed.

There are thus a number of ways to break up the data, and each might offer some process insights. However at this formative stage of analysis

we may gain the most insights by dividing the data up by stakeholders and key actors. These include business and professional representatives, State College Presidents, faculty, Faculty Union President, students, Chancellor's office, Chancellor and consultant George Keller. (Note: I was not able to detect any pattern in the positions of Board members other than their professional orientations. The Legislative members of the planning committee were conspicuous by their absence.)

Thus the following sentiments, positions and reactions seemed to be representative of the business and professional members of the planning committee:

a) There is too much regionalization and program duplication in the System. The regionalization may thwart communication and centralization.

b) There is too much emphasis on what <u>is</u> rather that on what should or might be.

c) The campuses should stress "product".

d) The campuses must both differentiate and focus. (I would agree with this but I'm not sure that their ideas ever got translated to the educational community!)

e) A fear of entrapment in the current educational model.

f) They also expressed a certain amount of frustration at not being able to identify educational categories.

Strong positions from the State College President planning representatives included:

a) An objection to regional constrictions.

b) An identified need of 5 million dollars annually for technical

development.

c) A concern for quality and measurement issues; accompanied by a feeling that faculty quality was outside of their control because of the union.

d) An identified and "collossal need for funds for faculty development".

e) An expectation that the "strategic plan" would be a way of creating some leverage for the campuses.

f) A hope that the System could open up the possibilities for bringing in interim faculty. ("If building deterioration is of such concern why not faculty deterioration!")

g) A concern that talking about 31% decline is a "dangerous game".

h) A warning that the campuses cannot be all things to all people.

i) A concern that "the teacher training mission is hard to sell".

j) A concern that they(the System and the campuses) must bring education to the student but that faculty are reluctant to transfer to where they are needed.

The positions of the Faculty planning representatives included:

a) A concern that the System not accecpt second class educational citizenship in the State.

b) A concern that it is not political to admit decline, or potential campus closings.

c) A concern that a uniform policy be administered for summer school assignments.

The President of the Faculty Union made a special plea for the System

to try to become a fifth Advanced Technology Center in the State. He also advocated for a campus planning focus which would be geared to the State's economy. The Union also distributed a publication titled Excellence in Higher Education: A Call for Action. It could be viewed as a challenge from the Union to be included in--and taken seriously by--the Strategic Plan. The publication offers many recommendations in the areas of funding, System roles, admissions, general education, continuing education, professional development, and quality in teacher education.

From its position paper, the Union indicated that the Systems role should be to: protect flexibility; encourage innovation; develop a broad admissions philosophy; review general education and encourage global and interdisciplinary awareness; research a comprehensive exam policy; promote an intellectual atmosphere; support life-long learning for the surrounding community; support professional development(including the evaluation of academic administrators); aid recruitment to the Teaching Profession; support and encourage research on teaching and learning.

The union sounded a call for immediate campus task forces on the general education, professional development and teaching and learning issues.

Students pointed out this anomoly: They were hearing a great deal about entrepreneurism as the cure for the Pennsylvania economy (and for their future), yet no course work exists, and there seem to be no incentives towards entrepreneurism, in most of the fields offered in the State Universities.

Chancellor's staff members who were active in the planning

discussions took a facilitative stance. For example they might point out that the moving of faculty could be accomplished at the Board of Governors level(a legal issue); or that the main reason for strategic planning is to stay competitive; or that there was a possibility for keeping a permanent strategy committee.

Chancellor McCormick would usually offer historical amplification: pointing out, for example, that the colleges have always built on strengths (teacher preparation) plus responding to the needs of citizens; but, he cautioned, "there has been little specialized needs assessment or planning". . . Therefore they have missed some wave crests such as those in the business cycle, and even those in teaching.

He may have expressed some of the same frustration as the Presidents when he said "collective bargaining is out of whack on continuing education". In regard to quality control, he believes it must be addressed on a System-wide level.

Neither as consultant, facilitator or planning advocate was Dr. Keller able to generate contingency plans for a conceivable 31% decline in student enrollment. Occasionally he also expressed amazement at other incongruities. For example he asked, how do you get a technological school with nothing to start with?

Keller tried to keep things in the right dimension, i.e. strategic. In language reflecting his model he would say to the planners: "Focus on the jugular issues. Get to the guts of the policies and let the Presidents run the campuses." If ideas became grandiose he cautioned that at 1/2%, the central office is limited to being a monitoring agency. Decentralization is therefore forced by the Legislation.

V

"The Strategic Plan"

I was not in contact with the winnowing-out process which occurred during each month between the planning days. This was carried out by the Office of Academic Policy and Planning under Dr. Nelson's direction.

At the end of June Dr. Nelson returned to her permanent post. She was replaced by Dr. Emily Hannah who, according to Dr. Moyer, had at least some editorial input into the final version: a twelve page pamphlet titled the Mission and the Strategic Direction Statements for the State System of Higher Education.Published in October 1984, it remains the only printed evidence from a year of strategic planning.

The mission statement only occupies one page but it still amplifies the statement given in Act 188. According to the mission SSHE shall provide:

1) Excellence in education at the lowest possible cost to students.
2) Undergraduate plus graduate and professional preparation; especially in teaching.
3) An upper division for community college transfers.
4) Associate degrees where needed.
5) Continuning education and community and public service.
6) Service to meet specialized, state-wide educational needs.
7) Service as regional social, intellectual and cultural centers.
8) Participation in, and leadership for, economic revitalization.

All of the planners are given credit for participation. They are

also identified with their stakeholding groups; i.e Legislature, Board of Governors, Commission of Presidents, University Faculty, Business Community, Students and also Office of Academic Policy and Planning.

The Strategic Direction Statements for the System are presented on 5 pages. The eight statements are called "a collective response to the eight planning charges issued by the Board of Governors." (p. 3)

Statement One says that the fourteen universities comprising SSHE "shall maintain eight distinguishing features". (p. 5) In highly condensed form these features are:

1) High Quality Bachelors and Masters level programs.
2) Effective teaching.
3) Residential pattern.
4) Accessible to all able Pennsylvanians.
5) Objectives of contributive citizenship, productive careers and rich lives.
6) Each to be comprehensive.
7) Each to offer selected professional programs.
8) Each to serve a region.

Statement Two says that while the Universities shall maintain and strengthen their historic commitments to the Liberal Arts and Teaching, they will also extend professional preparation to areas of need in technology and the human services.

Statement Three says: " Each University shall develop and maintain a Plan". The Plan will extend educational opportunity, marketing

and publicity. "Each University shall (also) maintain a center for data collection for its own and System-wide use. (p. 7)

Statement Four is a commitment to aid economic, social and cultural development. "Though none can be all things to all people, the System universities share in System commitment": to small business needs; to joint programs with business; to preparation of educational specialists for non-school settings; to share research on applied problems; to provide cultural experiences; to promote universities; to address retraining, especially in advanced technology; to offer high quality programs in business, economics and the inventive disciplines; to link with local government and participate in regional planning. (p. 7-8)

Statement Five says: "In pursuit of excellence, the state system universities shall strive both to measure better and to increase quality". Each university is to develop "spheres of excellence" which will serve a statewide clientele. Each university shall: support the scholastically able and the scholastically underprepared; develop strategies for faculty development, for review of teaching and scholarship, and for minority advance in faculty and administration; review (regularly) each academic program and the general education program and make recommendations regarding the future of each.

Data shall be collected on: activities of graduates; student evaluations of faculty teaching; annual inventory of scholarly achievements; attempts to assess "value-added" learning; peer evaluations of academic programs and dean's self-evaluations.

Statement Six calls for a reverse in building deterioration.

Statement Seven calls for intensified efforts to attract and retain minority students.

Statement Eight focuses on System-wide synergy. It calls for a sharing of expertise and resources, especially guest speakers, consultants, artists and library material.

In cooperation with the Faculty Union the System "shall seek to improve flexibility to assure responsiveness to changing conditions and student needs". It will also "seek to create" the faculty category of Visiting Professor.

Each university shall conduct and utilize institutional research and planning consistent with the strategic planning of SSHE and shall contribute to revision and evaluation of the System plan.

A Formative Analysis of the Statements

There may be something here for each of the stakeholding bodies to latch-on to; but for some more clearly than others. Statements two and four not only reflect the interest of the business community, but they also put the System in a favorable light with the Legislature and the State's economic development arm.

Statements three and eight give the System considerable leverage with the institutions in developing System-wide programs.

Statement five is a triumph for the presidential position and should give the presidents leverage to excell if they really want to!

Statement one may reflect the Board of Governor's position because of its generality.

Certain faculty disciplines would tend to gain strength from some of the strategic directions. The issue of emphasizing teacher education versus emphasizing research education, or as Dunham(969) puts it the old breed versus the new breed, seems to be settled in favor of the old breed and teacher education. Commitments to small businesses, the State's economic recovery and community service may not be the faculty's number one priority.

Both centralization and decentralization moves may effect faculty power. This includes centralized program review, program shifting ,data collecting, new categories for shared faculty and visiting faculty, plus decentralized review of programs, teaching and scholarship. Each external partnership entered into, while expanding opportunities, may also restrict internal power blocs.

Students would be well served by most of the Strategic Directions. Minority growth gets it's own statement, number seven, plus SSHE has already shown its commitment by strengthening Cheney, the one predominantly black institution in the System.

The fate of these Strategic Direction Statements, even in their earliest stages of implementation, are of primary concern for the second phase of this study. To date the campuses have had approximately a year to begin responding. If nothing else, the Mission and Strategic Direction Statements are the beginnings of a System culture, a culture espousing values which transcend the institutional level.

In a recent conversation with the writer, Dr. Moyer indicated that the response to Strategic Directions may be slow because of the limited academic planning histories in the State Colleges. However, he identified three campuses which have their own strategic planning process underway, including one which has retained Dr. Keller as a consultant.

Of course one would want to study not only the campuses making a favorable response, but also those which are not. At present, compliance with Strategic Direction Statements, and certainly speed of compliance, seems to be a matter of institutional choice.

Since October 1984 a number of important and even critical events have occurred at the System level. Act 188 has been amended to give program approval to the Central System Office, superceding such approval in the Department of Education.

The Council of Presidents, clearly a third power bloc during the formal planning process, has been coopted into the Central Office through the formation of an Executive Committee. This committee consists of the Chancellor, the Vice-Chancellors and the fourteen Presidents.

A threatened faculty strike received widespread publicity during the Summer and Fall of '85, but a multi-year contract was agreed on before the October strike deadline.

Advanced Technology curriculums exist or are being developed at four campuses, and the business and industry arm of the Strategic Planning Committee is continuing to meet as an advisory body.

The institutions are adding new research offices and staff. Through these types of activities weaknesses at the institutions become visible and can be corrected.

Thus the System would appear to have both some momentum and some breathing room as it returns to planning issues. Dr. Moyer indicated in December that a draft of planning policy is expected to be finished in January '86. This will be discussed by the Board of Governors no later than April.

In a November letter to the writer, Chancellor McCormick described this effort in words which indicate his sensitivity to the issues and to the campuses. He said:

> We are just beginning to draft broad Board policy about university planning, though, of course, each institution has a planning mechanism and history of its own--sort of a process of trying to create a functional design for a house composed of already wallpapered and furnished rooms in various stages of redecoration, which will influence the future without damage to historical integrity!

VII

Formative Analysis and Conclusions

We will examine the observed planning process, the plan itself which is in the form of Strategic Direction Statements, and a few subsequent events. (It is premature to call any of them "consequences" of strategic planning.) We will look at all of these through some of the "lenses" presented in the earlier sections of the paper.

Mintzberg's Emergent Strategy model is on such a macro level that we

have not progressed far enough in this study to make effective use of it yet. Although an example of emergent strategy might be the formation of the Executive Committee. This occurred some time after the formal planning period, and, in fact, it was never a planning issue. It is one of those power realignments which seem to usually take place outside of the formal planning structure, yet it is clearly an emergent, and a crucial strategy.

Through Ackoff's model we see that the System is making considerable effort to facilitate the development of its stakeholders. This is reflected in both the planning process and the Strategic Direction Statements. There has also been some analysis and organizational learning within the System.

But there seems to be a total lack of temporal perspective in the Plan. There are no alternatives presented or experiments to evaluate them to date. Nor does there appear to be a scheme for implementation except for that which is going to be done voluntarily in response to the Strategic Direction Statements. (However, many of these ingredients may emerge in the next few months.)

Most of the Womack and Podemski criteria are fulfilled. The recent inclusion of the Institution Presidents in the Executive Committee would, for example, be a powerful structural process for coordinated decision making. Womack and Podemski also might be likely to point out the lack of an agenda for reaching goals.

Through Lee and Bowen's eyes the Pennsylvania System may want to avoid that total lack of program coordination across campuses which has plagued the California Systems.

Another consideration would be the degree of integration of Budget with the Academic Plan. This is an unknown at this point in our study although it was clearly a concern for Chancellor McCormick in 1984.

SSHE seems to be paying considerably more attention to internal data than Lee and Bowen found true in the 70's. In fact, most items in Lee and Bowen's model for the 80's are either being fulfilled or plans are being made to fulfill them.

Not only do the State Colleges share elements with the Professional Bureaucracy (Mintzberg), but they have in the past even shared some elements with the Machine Bureaucracy. Thus it seems that the Chancellor's Office will have to take the initiative and exert considerable pressure if the institutions are going to become innovative organizations. Pilot and model projects might have to be developed first. Even though the institution Presidents have been given more leverage they will need this boost to get started. The Faculty union will also have to change some of its basic postures.

Camillius' temporal dimensions might offer some guidance to the System in planning for planning.

In the interpretive or symbolic realm, i.e. how people identify with the System, motivation is a key. But how do you motivate 100,000 people who are spread over the width and breadth of the State? Would an electronic communication network be an important factor? In a study titled "Strategic Management in a New Frame" Van Cauwenberg and Cool(1982) conclude that "motivation, not information, is the critical factor in

achieving adequate strategic behavior."(p.261)

In general, although many new options are presented in the Strategic Direction Statements, the System is not making any radical departure from the historical missions of the institutions. This, according to Chaffee's 1985 analysis, is the soundest single strategic direction for the System.

That "high quality" teaching exists in the System institutions is taken for granted by almost everyone. With its new research capabilities this is a stance that should be evaluated by the System.

The upgrading of Cheney is an illustration of how a System can help a weak partner. Perhaps this experience could be drawn upon for other "upgradings".

Politics in Two Dimensions

As Mazzolini (1984) puts it, strategy is both a bureaucratic and a political process. In SSHE's context, "political" has both a lower case "p" and an upper case "P". It was both political and Political for SSHE to have a broad-based planning committee and to issue it's Plan in the form of succinct Strategic Direction Statements.

Cohen and March's view was perhaps pre-strategic. They said university plans serve four functions: as symbols; as advertisements; as games; and as excuses for interaction. (1974 p.115) The SSHE Plan serves three of these functions. First, as a symbol of the System, it identifies the fact that SSHE exists and that it is a corporate body with goals and aspirations. Second, to the extent that the Plan is widely distributed, it serves to advertise the System and its constitutent parts. Third, the

lan, and the planning for the Plan, brought key stakeholding bodies together in a spirit of unity. Numerous other "excuses for interaction" are undoubtedly emerging from the mere existence of the Plan and its "need" to be discussed.

Dimension One

The political or human side of planning has been investigated by Lyles and Lenz(1982). Preliminary data suggests there are cognitive limitations which effect both planning and the implementation of planning. (It is probably too much to expect that the members of a broad-based, grass-roots, planning committee are going to become global thinkers, even with the most painstaking planning coordination and indoctrination.)

There are also role limitations, symptoms of which are "Fear of making mistakes and the tendency to bargain for resources(rather than identifying new sources) . . . each of which tend greatly to reduce the effectiveness of the planning process. Both symptoms are to some extent attributable to the quality of administration of the planning process reflected in top management support and the communication of goals and expectations concerning the role and prerogatives of the individuals who plan". (p.116)

Ultimately, though, "successful strategic planning is largely dependent on the extent to which people <u>accept</u> and <u>relate to</u> the planning process." (p.116)

In an empirical study, Dyson and Foster(1982) found, however, that there are many limitations on the relationship between participation and effectiveness in strategic planning. Of thirteen identified variables,

only two were enhanced by widespread participation. These were integration, or the probability of "plans and analyses becoming the focus of strategic decision-making in the organization"(p.79) and resources planned, or the probability that "all resources will come into focus as each will be the concern of some interest group." (p.87) These two variables may be sufficient justification for using a participative model, especially in the public sector. Weakness in all of the others (i.e. clear statement of objectives, catalytic action, richness of formulation, depth of evaluation, treatment of uncertainty, data, iteration of process, asumptions, quantification of goals, central measures, and feasibility of implementation) (p.79) indicates, though, why strategic planning is considered to be less effective in the public than in the private sector.

There is also a manpower and financial cost in broad-based planning. In our case 30 to 40 busy professionals spent 5 or 6 full days in Harrisburg. They also required an equal amount of time for travel from the four corners of the State, and additional time for study of the issues. My off-the-wall estimate is that $100,000 worth of professional time was donated to the process and that direct expenses, consultant fees and staff time amounted to at least another $100,000.

At the System level $200,000 divided by 80,000 students is only 2 or 3 dollars per student. It is conceivable that the Planning could be worth hundreds of times the cost in terms of educational effectiveness.(Of course effective implementation will be a much more costly as it will require enhanced communication and evaluation processes.)

Dimension Two

The Political elements with the capital "P" were outlined in Section IV but they bear some further analysis here. Two events contributing to segmentalization in Pennsylvania's public higher education were identified by Johnson and Mortimer(1977):

> The creation of fourteen community colleges between 1964 and 1971 was ultimately to limit the State Colleges role in occupational education. (Then) in 1965 and 1966 respectively, Temple University and the University of Pittsburgh became 'state-related' universities ultimately curtailing the expansion of the State Colleges into doctoral education. (p.11)

With segmentation intact by 1971 it could be argued that the issues turned to an internal power struggle between presidents and the faculty union. Stout said that "collective bargaining contributed to the decline of the influence of the State College president and to an increase in faculty influence at the system wide level". (1983 p.46-47)

It has also been argued that faculty were reacting to State environmental factors. According to Lozier and Mortimer (1974):

> The decision by faculty members to adopt collective bargaining as a model for sharing authority has been a direct result of a shift in the

> balance of power and influence away from institutions toward external constituencies. . . . (In their shared authority model the faculty) voters viewed the adoption of collective bargaining as a governance process to counter institutional authority and the authority which State government has attained in the affairs of the Pennsylvania State Colleges. (p.63)

Power struggles and coalignments seemed to be worked out in the 70's and early 80's adversarially through collective bargaining. I would like to hypothesize that the potential exists for some of these coalignments to be worked out cooperatively in the 80's and 90's through strategic planning--and that perhaps we are seeing this in SSHE's efforts. Of course some segments of the organization might argue that strategic planning is little more than a management trick to create the illusion of participation. Hatten(1982) cautions that "strategy in the non-profit organization hinges on the ability of management to placate strong unions, particularly professional unions." (p.95)

In summary, the State College system from 1970 to 1983 could be characterized by gradual faculty ascendency, first over the presidents and then over the Department of Education. Perhaps the fact that the Faculty Union(APSCUF) was an advocate for the formal System led the faculty to believe that the balance of power would remain the same.

During the formal planning processes of 1983 and 1984 there seemed to be a tripartite struggle between the System (as represented by the new Chancellor's Office and the new Board of Governors), the President's ad hoc Council, and the Faculty Union. However, since 1985 the presidents have been linked to the System through the newly created Executive Committee. Thus the threatened faculty strike in the Fall of 1985 had

little chance of returning things to the 1970's balance. This new alignment makes continued effective strategic planning and strategy implementation much more feasible.

Survival is not the strategic issue for SSHE or its Universities. The issues are to maintain or increase: enrollment, quality, visibility, cooperation, sense of unity, service to the Pennsylvania economy, service to regions and locales, and a sharing of resources and expertise.

Lee and Bowen concluded (1971,1975) that the multicampus systems they studied did not develop the synergistic effects that were potential and inherent in the system structure. Our question is, "Can the strategic planning process and strategic thinking help SSHE achieve some of this potential in the late 80's and 90's?" Can it become more than the sum of its parts?

If we see evidence of even the beginnings of cooperation, consolidation, program strengthening, regional consortiums, and developing spheres of excellence (with central assistance), we are then seeing Indicators of successful strategic implementation and fulfillment.

Of course we will always question the causal linkages. It may, in fact, be difficult to differentiate the synergistic effects attributable to the strategic planning process from those attributable to the social environment or attributable to the energy released by simply founding a new System. For example, the development of "spheres of excellence" at the individual campuses might be considered a consequence of the recent emphasis on quality in education. However, the former history of enrollment-driven, formula funding would not be likely to support rapid development of such "quality". Only through deliberate strategic policy and action would such "spheres" arise.

Nor, for example, would interinstitutional cooperation, the development of regional consortia, or academic resource sharing automatically follow from the formalization of the System--especially since very little cooperative activity evolved during nearly one-hundred years of history under the functional control of various State Departments.

End Comments

What we are reporting here is only the initial stage of the study. Completely lacking are in-depth interviews and follow-up data from the first process phase, as well as a formal study design for the second phase. In part this formative analysis is intended to help us design the second phase of the research.

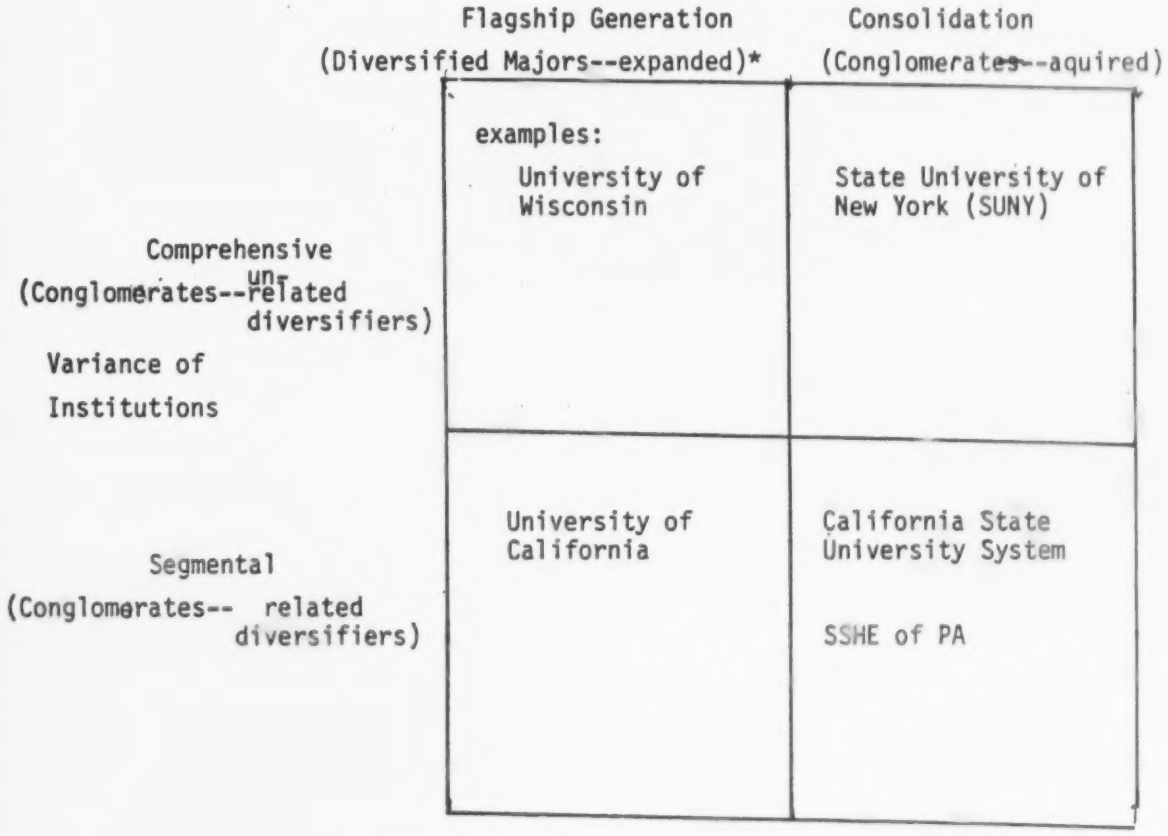
At the same time we are deeply enough involved in the study and the literature to be able to at least point in a couple of directions. Chaffee says "To study strategic management is to begin to understand the nature of the organization itself".(1985 p.164) I would add that to be interested in an organization's strategy gives the researcher tremendous leverage, especially in trying to come to grips with something as amorphous as a multicampus system.

The multicampus system is an organization which needs new scholarship on both a state and national basis. Here again, looking for and through the strategic planning lens may be the most efficient means of ferreting out the issues.

Appendix

(Based on Lee and Bowen's Multicampus System Typology)

Founding Conditions



*comparable multi-industry Business Type
(adapted from Berg and Pitts, 1979)

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